

2022 Regular Session

SENATE BILL NO. 168

BY SENATOR ABRAHAM

INSURANCE POLICIES. Provides relative to commercial insurance. (1/1/23)

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AN ACT

To amend and reenact R.S. 22:1267.1(B) and to enact R.S. 22:1267.1(E), relative to the application of named storm, hurricane, wind, and hail deductibles in commercial property and commercial multi-peril insurance policies; to provide for a separate deductible for commercial coverage; to provide for a limitation of the separate deductible to property in this state; and to provide for related matters.

Be it enacted by the Legislature of Louisiana:

Section 1. R.S. 22:1267.1(B) is hereby amended and reenacted and R.S. 22:1267.1(E) is hereby enacted to read as follows:

§1267.1. Commercial insurance deductibles applied to named storm, hurricane, and wind and hail deductibles

\* \* \*

B. For all ~~authorized~~ commercial property insurance policies and ~~authorized~~ commercial multi-peril insurance policies issued or **issued for delivery in this state** ~~renewed~~ by an authorized insurer on or after ~~August 1, 2021~~, **January 1, 2023**, **except for policies with a total insured value equal to or greater than twenty million dollars**, any separate deductible that applies in place of any other deductible

1 to direct physical loss or damage resulting from a named storm or hurricane shall be  
 2 applied on an annual basis to all named storm or hurricane losses that are subject to  
 3 the separate deductible during the calendar year.

4 \* \* \*

5 **E. This Section shall apply only to property located in this state.**

6 Section 2. This Act shall become effective on January 1, 2023.

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The original instrument and the following digest, which constitutes no part  
 of the legislative instrument, were prepared by Beth O'Quin.

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DIGEST

SB 168 Engrossed

2022 Regular Session

Abraham

Present law provides that for all authorized property insurance policies and authorized commercial multi-peril insurance policies issued or renewed by an authorized insurer on or after August 1, 2021, any separate deductible that applies in place of any other deductible to loss or damage resulting from a named storm or hurricane shall be applied on an annual basis to all named storm or hurricane losses that are subject to the separate deductible during the calendar year.

Proposed law retains present law but changes insurance policies from being renewed to insurance policies being issued in this state, and changes the effective date to January 1, 2023, except for policies with a total insured value equal to or greater than \$20 million.

Present law permits an insurer to apply a deductible to the succeeding named storms or hurricanes that is equal to the remaining amount of the separate deductible, or the amount of the deductible that applies to all perils other than a named storm or hurricane, whichever is greater, if an insured incurs named storm or hurricane losses from more than one named storm or hurricane during a calendar year that are subject to the separate deductible referred to in law.

Proposed law retains present law but limits property losses only to property that is located in this state.

Effective January 1, 2023.

(Amends R.S. 22:1267.1(B); adds R.S. 22:1267.1(E))

Summary of Amendments Adopted by Senate

Committee Amendments Proposed by Senate Committee on Insurance to the original bill

1. Adds that policies with a total insured value equal to or greater than \$20 million are excluded from proposed law.